

Message Text

UNCLASSIFIED

PAGE 01 MANILA 03359 091153Z

20

ACTION EB-07

INFO OCT-01 EA-09 ISO-00 CAB-05 CIAE-00 COME-00 DODE-00

 DOTE-00 INR-07 NSAE-00 FAA-00 L-03 SS-15 NSC-05 /052 W

----- 054848

R 090917Z MAR 76

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 2843

UNCLAS MANILA 3359

E.O. 11652: N/A

TAGS: EAIR, EWWT, RP

SUBJ: CIVAIR AND SHOPPING--GOP DECREES ON AIR AND SHIP
 PREFERENCES

REF: STATE 055421 AND MANILA 2929

FOLLOWING IS TEXT OF PRESIDENTIAL DECREE NO 894.

QUOTE. REQUIRING GOVERNMENT OFFICES, AGENCIES,
INSTRUMENTALITIES AND GOVERNMENT OWNED OR CONTROLLED
CORPORATIONS, PERSONS AND ENTITIES ENJOYING TAX
EXEMPTION, INCENTIVE OR SUBSIDY FROM THE GOVERNMENT
TO UTILIZE IN THE INTERNATIONAL TRANSPORTATION THE
SERVICES OF THE PHILIPPINE FLAG AIR CARRIER AND
SHIPPING LINES AND FOR OTHER PURPOSES.

WHEREAS, IT IS NECESSARY FOR OUR NATIONAL ECONOMIC
DEVELOPMENT THAT EVERY EFFORT IS EXERTED BY ALL TO
SAVE AND CONSERVE OUR FOREIGN EXCHANGE RESERVES;
WHEREAS, PAYMENT OF TRANSPORTATION FARES TO FOREIGN
AIRLINES AND SHIPPING LINES, EVEN IF MADE IN PHILIPPINES,
CURRENCY, CONSTITUTES A HEAVY DRAIN TO OUR FOREIGN
EXCHANGE RESERVES IN VIEW OF THE FACT THAT SUCH FOREIGN
AIRLINES AND SHIPPING LINES REMIT ABROAD THEIR RECEIPTS IN
EXCESS OF THEIR LOCAL EXPENSES;

WHEREAS, THE PHILIPPINE FLAG AIR CARRIER AND SHIPPING
LINES OPERATING INTERNATIONAL TRANSPORTATION PERFORM
TRANSPORTATION SERVICES OF VITAL IMPORTANCE TO THE
FOREIGN COMMERCE AND TRADE OF THE PHILIPPINES INCLUDING
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MANILA 03359 091153Z

ITS BALANCE OF PAYMENTS, TO THE POSTAL SERVICE, AND TO

THE NATIONAL SECURITY AND DEFENSE;

WHEREAS, IN MOST COUNTRIES OF THE WOLD, THE POLICY AND PRACTICE OF GRANTING PREFERENCE TO THE NATIONAL FLAG AIR CARRIER AND SHIPPING LINES OVER FOREIGN AIR CARRIERS AND SHIPPING LINES WITH RESPECT TO TRANSPORTATION OF GOVERNMENT FINANCED PASSENGERS AND PROPERTY HAS EITHER BEEN ADOPTED AND IMPLEMENTED OR IS IN THE PROCESS OF BEING ADOPTED AND IMPLEMENTED;

NOW, THEREFORE, I, FERDINAND E. MARCOS, PRESIDENT OF THE PHILIPPINES, BY VIRTUE OF THE POWERS VESTED IN ME BY THE CONSTITUTION, DO HEREBY ORDER AND DECREE AS FOLLOWS;

SECTION 1. WHENEVER ANY BRANCH, DEPARTMENT, AGENCY, INSTRUMENTALITY OR OFFICES OF THE GOVERNMENT INCLUDING LOCAL GOVERNMENTS AND CORPORATIONS AND INSTITUTIONS OWNED AND CONTROLLED BY THE GOVERNMENT, SHALL PROCURE, CONTRACT FOR, OR OTHERWISE OBTAIN, DIRECTLY OR INDIRECTLY, ANY TRANSPORTATION OF PERSONS OR PROPERTY BY AIR OR WATER BETWEEN THE PHILIPPINES AND A PLACE OUTSIDE THEREOF OR BETWEEN TWO PLACES BOTH OF WHICH ARE OUTSIDE THE PHILIPPINES, THE PAYMENT FOR WHICH IS MADE DIRECTLY OR INDIRECTLY FROM FUNDS OF THE REPUBLIC OF THE PHILIPPINES, THE APPROPRIATE AGENCY OR AGENCIES AND PUBLIC OFFICIALS CONCERNED SHALL TAKE SUCH STEPS AS MAY BE NECESSARY TO ASSURE THAT SUCH TRANSPORTATION IS PROVIDED BY THE PHILIPPINE FLAG AIR CARRIER OR SHIPPING LINES TO THE MAXIMUM EXTENT SERVICE BY SUCH CARRIER AND SHIPPING LINES IS AVAILABLE.

SECTION 2. ANY PERSON, PARTNERSHIP, ASSOCIATION OR CORPORATION, CONTRACTOR AND SUBCONTRACTOR, GRANTED ANY ENJOYING ANY TAX EXEPTION, SUBSIDY OR INCENTIVE FROM THE GOVERNMENT, OR WITH AN OUTSTANDING LOAN FROM OR WHOSE EXISTING OBLIGATION IS GUARANTEED BY THE GOVERNMENT OR BY ANY GOVERNMENT OWNED OR CONTROLLED CORPORATION AND FINANCIAL INSTUTION, OR AWARDED ANY CONTRACT BY THE GOVERNMENT OR ANY OF ITS AGENCIES AND INSTRUMENTALITIES, REQUIRING ANY TRANSPORTATION OF PERSONS AND PROPERTY BY AIR OR WATER BETWEEN THE PHILIPPINES AND A PLACE OUTSIDE THEREOF OR BETWEEN TWO PLACES BOTH OF WHICH ARE OUTSIDE THE PHILIPPINES, THE UNCLASSIFIED

UNCLASSIFIED

PAGE 03 MANILA 03359 091153Z

PAYMENT FOR WHICH IS MADE DIRECTLY OR INDIRECTLY FROM THE FUNDS OF SUCH PERSON, PARTNERSHIP, ASSOCIATION CORPORATION, CONTRACTOR OR SUBCONTRACTOR, SHALL CAUSE SUCH AIR OR WATER TRANSPORTATION TO BE PROVIDED BY THE PHILIPPINE FLAG AIR CARRIER OR SHIPPING LINES TO THE MAXIMUM EXTENT SERVICE BY SUCH AIR CARRIER OR SHIPPING LINES IS AVAILABLE: PROVIDED, THAT, ANY SUCH PERSON, PARTNERSHIP, ASSOCIATION, CORPORATION,

CONTRACTOR OR SUBCONTRACTOR MAY PROCURE THE SERVICES OF FOREIGN AIR CARRIERS OR SHIPPING LINES TO THE EXTENT THAT SERVICE BY THE PHILIPPINE FLAG AIR CARRIER OR SHIPPING LINES IS NOT AVAILABLE, ONLY UPON PRIOR CERTIFICATION BY THE CIVIL AERONAUTICS BOARD OR BY THE BOARD OF TRANSPORTATION, AS THE CASE MAY BE.

SECTION 3. THE AUDITOR GENERAL SHALL DISALLOW ANY EXPENDITURE FROM APPROPRIATED FUNDS OF THE GOVERNMENT FOR PAYMENT OF PASSENGER OR CARGO TRANSPORTATION ON FOREIGN FLAG AIR CARRIERS AND SHIPPING LINES IN THE ABSENCE OF SATISFACTORY PROOF OF THE CLEAR NECESSITY THEREFOR.

SECTION 4. ANY VIOLATION OF THE PROVISIONS OF SECTION 2 SHALL CAUSE THE WITHDRAWAL, REVOCATION, CANCELLATION, OR ACCELERATION OF PAYMENT, AS THE CASE MAY BE OF THE TAX EXEMPTION, SUBSIDY, INCENTIVE, LOAN, GUARANTEE AND CONTRACT OF SUCH PERSON, PARTNERSHIP, ASSOCIATION OR CORPORATION.

SECTION 5. ALL LAWS, DECREES, ORDERS, RULES AND REGULATIONS OR PART THEREOF INCONSISTENT WITH THIS DECREE ARE HEREBY REPEALED OR MODIFIED ACCORDINGLY.

SECTION 6. THIS DECREE SHALL TAKE EFFECT IMMEDIATELY. DONE IN THE CITY OF MANILA, THIS 26TH DAY OF FEBRUARY, IN THE YEAR OF OUR LORD, NINETEEN HUNDRED AND SEVENTY-SIX. UNQUOTE
SULLIVAN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DISCRIMINATION, LAW, TEXT, AIRLINES, STEAMSHIP LINES
Control Number: n/a
Copy: SINGLE
Draft Date: 09 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MANILA03359
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760088-0993
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760380/aaaacsuw.tel
Line Count: 141
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 STATE 55421
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 31 AUG 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <31 AUG 2004 by meiwc>; APPROVED <08 DEC 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CIVAIR AND SHOPPING--GOP DECREES ON AIR AND SHIP PREFERENCES
TAGS: EAIR, EWWT, RP
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006